

State of Iowa
In the Matter of Fact-Finding Between

Burlington Municipal Waterworks)

and)

Chauffeurs, Teamsters & Helpers,)
Local Union No. 238, IBT)

Report of Fact-Finder
Sharon A. Gallagher
CEO 99/3

Appearances:

Ms. Jill Hartley, Esq., Previant Goldberg Law Firm, 1555 N. RiverCenter Drive,
Suite 202, Milwaukee, Wisconsin 53212, on behalf of Local 238.

Mr. Jerry Thompson, Thompson & Associates, 2813 Virginia Place, Des Moines,
Iowa 50321, on behalf of the Waterworks.

Introduction:

The Undersigned was selected by mutual agreement of the parties to conduct a fact-finding hearing pursuant to Sections 20.19 and 20.21 of the Iowa Public Employment Relations Act. The parties stipulated that there are no negotiability disputes between them and that they do not have an independent impasse resolution agreement.

Hearing was held at West Burlington, Iowa on February 6, 2004 by mutual agreement of the parties. No stenographic transcript of the proceedings was made. The hearing opened at 9:30 AM and was closed at 11:30 AM after both parties had a full opportunity to present documentary evidence and oral argument. (The parties chose not to call any witnesses herein.)

The parties agreed that this Report should be completed and faxed to Ms. Hartley and Mr. Thompson and to Union Representative Kimbra Wilson and Municipal Representative Alan Borden within fifteen days of the close of the hearing. The Fact-finder also agreed to mail this Report to Ms. Hartley, Mr. Thompson, and the Iowa Public Employment Relations Board.

Background:

There are no statutorily mandated criteria to be applied or considered by fact-finders under the Iowa Public Employment Relations Act to assess the reasonableness of the parties' offers. However, Iowa fact-finders ordinarily consider Section 20.22(9) of the Act, which states specific criteria interest arbitrators must consider. Fact-finder decisions are often considered by and can weigh heavily with interest arbitrators. As a result, the Undersigned has assessed the evidence herein and has made her findings and recommendations after considering the following criteria:

The panel of arbitrators shall consider, in addition to any other relevant factors, the following factors:

- a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
- b. Comparison of wages, hours and conditions of employment of the involved public employees with those of other public employees doing comparable work, giving consideration to factors peculiar to the area and the classifications involved.
- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operation.

It is significant that the Waterworks did not make any arguments herein regarding parts c. and d. of Section 20.22(9): the interests and welfare of the public, or that it lacks the ability to finance the economic adjustment sought by the Union in this case, or what affect the adjustments would have on services or that it lacks the power to levy taxes or use appropriate funds to continue its operations. Therefore, based upon the record evidence herein only parts a. and b. of Section 20.22(9) of the Public Employment Relations Act (PERA) are applicable to this case.

The parties presented two impasse items to the Fact-finder for determination: wages and health insurance. Specifically, the Union submitted the following:

3% WAGE INCREASE

CURRENT INSURANCE LANGUAGE AND POLICY PLAN 1

The Waterworks submitted the following:

Insurance—The employee shall share five percent (5%) of the monthly family premium toward health insurance. And, Plan 3 shall be implemented effective July 1, 2004. This includes increasing the deductibles from \$100/\$200 to \$250/\$500, the maximum out of pocket from \$1,000 to \$1,300, and changing the Rx plan to a three tier plan of \$5 generic, \$10 brand formulary, and \$15 brand non-formulary.

Wages—Increase wages by 1.5% on each step.

Facts:

The Waterworks supplies drinking water to customers located in the City of Burlington as well as to much of Des Moines County (where the Waterworks is located). The Waterworks employs four non-union (management) employees and it employs

twenty employees represented by the Union in one bargaining unit in the following positions:

OFFICE

#1 Cashier:	1
Cashier:	1

DISTRIBUTION

Head Maintenance:	1
Machine Operator:	2
Head Meterman:	1
Maintenance:	2
Meter Maintenance:	1

PLANT

Head Maintenance:	1
Maintenance:	2
Operator:	7
Lab Technician:	1

Fifteen of twenty employees take Family insurance coverage which includes Dental with Orthodontic coverage; 1/ three employees have Single coverage; and the two employees not covered by insurance receive the dollar value of the Single plan in cash. Employees at the Waterworks have from three to thirty-five years tenure, for an average of eighteen years of service. Thus, the vast majority of its employees are at top pay on the contractual pay schedule. 2/

There has been little employee turnover at the Waterworks since 1999 (ER Exh. #3). In 1999 and 2001 no employees left Waterworks employment while two resigned in 2000 and one retired in 2000 and one retired in 2002. In 2003 one employee was laid off due to "employer financial necessity." In the past five years the Waterworks has had four job openings for which it received 150 applications. The Waterworks submitted an exhibit (ER Exh. #3a) showing that the City of Burlington's unemployment rate for 2003 of 6.4% was 2% higher than that in the State of Iowa and .9% higher than that of Des Moines County. 3/

Both parties submitted evidence regarding the cost of living. The Union's document (from Social Security) showed that the cost of living for Urban Wage Earners was 2.1% as of October, 2003 (U. Exh. #10). The Waterworks submitted information to the effect that the COLA increase was 1.9% for the year as of December of 2003 (ER Exh. #2).

Past Collective Bargaining Contracts and Bargaining History:

The parties' 2003-04 collective bargaining agreement (which runs from July 1 through June 30) contains the following relevant insurance and wage provisions:

ARTICLE 19

INSURANCE

SECTION 19.1 The Employer shall pay the full cost of the employee's personal premium for Hospital and Medical Care Insurance as offered by City/County Health Care Group. If an employee elects to cover the employee's family members the Employer will pay the full cost of dependent coverage.

SECTION 19.2 The Employer shall provide, at no cost to the employee, a policy of life insurance insuring the life of said employee in the amount of Five Thousand Dollars (\$5,000).

SECTION 19.3 The Employer will pay the full cost of a Dental Plan for employees and their dependents as offered by the City/County Health Care Group.

APPENDIX A

WAGE SCHEDULE

EFFECTIVE JULY 1, 2003

OFFICE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6	STEP 7
#1 CASHIER	9.67	10.37	11.05	11.75	12.43	13.13	13.82
CASHIER	9.05	9.70	10.33	10.98	11.63	12.28	12.93

DISTRIBUTION

HEAD MAINT.	14.35	15.38	16.41	17.44	18.45	19.48	20.50
MACH OPER.	12.25	13.12	14.00	14.87	15.75	16.62	17.50
HEAD METER- MAN	12.25	13.12	14.00	14.87	15.75	16.62	17.50
MAINTEN- ANCE	11.88	12.73	13.58	14.43	15.27	16.13	16.97
METER MAINT.	11.88	12.73	13.58	14.43	15.27	16.13	16.97

PLANT

HEAD MAINT	12.89	13.81	14.73	15.65	16.57	17.50	18.41
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MAINTEN- ANCE	12.25	13.12	14.00	14.87	15.75	16.62	17.50
OPERATOR	12.08	12.95	13.81	14.68	15.53	16.40	17.26
LAB TECH- NICIAN	10.28	11.02	11.76	12.49	13.23	13.96	14.70

STEP 1 TO STEP 2	6 Months
STEP 2 TO STEP 3	6 Months
STEP 3 TO STEP 4	12 Months
STEP 4 TO STEP 5	12 Months
STEP 5 TO STEP 6	18 Months
STEP 6 TO STEP 7	18 Months

According to this record, the parties went to interest arbitration in 1983, at which time the Arbitrator ruled that the contract contain 100% employer-paid health insurance premiums for employees. 4/ All labor agreements have read as quoted above with no employee contributions to health insurance premiums since 1983.

In 2003, the parties went again to interest arbitration. The Arbitrator was Christine Ver Ploeg, who issued her decision on wages and insurance on July 16, 2003. Significantly, Ver Ploeg found the appropriate comparables to be Waterworks units in Ottumwa, Keokuk, Ft. Madison and Marshalltown; and that the Employer's ability to finance the impasse items was not in issue. Arbitrator Ver Ploeg held that the Employer's 2.5% wage offer was preferred over the Union's 3.0% offer. On the wage issue, Ver Ploeg noted that non-union employees of the Employer received 2.5%, that Union employees were paid 9% higher on average than employees of the external comparables, that there was no need for wage "catch up," and that a 2.5% wage increase would maintain Union employees' relative standing vis-à-vis the external comparable groups.

In regard to the insurance issue, Arbitrator Ver Ploeg found the Union's offer to maintain the *status quo* on insurance was preferred over the Employer's offer. 5/ It is significant that the Employer's offer did not include a requirement that employees pay a portion of the monthly premium. Rather, the Employer's offer included a change to Plan III (which included increased OOP maximums and increased deductibles) and a change to a three-tier formulary drug card. In reaching her conclusion, Ver Ploeg noted that insurance premium costs had risen 60% from 1999 to 2002 for an increase in annual premiums of \$3712 per employee; that employees in the comparable group paid on average \$47.00 per month in premiums while Union employees paid nothing toward their premiums; and that the Employer had subjected its non-union managers to the insurance plan changes offered in the 2003 case (which Ver Ploeg believed also included advantageous changes to the plan).

However, despite these observations and the minor changes proposed, Ver Ploeg refused to order a change in the Waterwork's insurance, finding that the record did not contain the "compelling evidence of financial exigency and strong comparability data" necessary to overcome the "strong presumption" applied by most arbitrators that "the

parties should be left to negotiate for themselves significant changes to an existing [insurance] package" (Ver Ploeg Award, p. 7, U. Exh. #4).

Wage Item:

The Waterworks submitted a document (ER Exh. #2) showing that Plant Operator wages have increased 18.5% from July 1, 1998 to July 1 2003 (from \$14.89 per hour to \$17.26 per hour); that the increase in the CPI from July 1 1998 to July 1, 2003 was 12.7%; and that the wage increases at the Waterworks exceeded the CPI by 5.7%. 6/ Clearly, the Waterworks is the wage leader among the comparables. Waterworks also submitted ER Exh. #1 which read in relevant part as follows:

COMPARISON HOURLY RATES JULY 2003

	<u>Cashier</u>	<u>Meter Maint.</u>	<u>Plant Oper.</u>	<u>Plant Maint.</u>	<u>Dist. Maint.</u>
<u>AGENCY</u>					
Marshalltown	na	16.08	16.65	16.77	16.15 7/
Keokuk	10.80	13.61	16.05	13.92	14.01 8/
Ft. Madison	12.86	13.67	14.19	14.19	14.00
Ottumwa (January 2004)	15.80	17.05	17.05	17.05	17.05 9/
Average	13.15	15.10	15.99	15.48	15.30
BURLINGTON	13.82	16.97	17.26	17.50	16.97
\$ above the average	0.67	1.87	1.27	2.02	1.67
% above the average	5.10	12.38	7.94	13.06	10.92

The Union did not contest the figures used by the Waterworks in ER Exh. #1. 10/ Marshalltown was the only voluntary settlement for 2004-05 available at the time of the instant hearing. The 2004-05 Marshalltown wage increase equaled 2.2% on all relevant rates. 11/ Marshalltown employees also agreed to increase their insurance premium payments by \$15 per month to \$138.79 per month.

Discussion:

Regarding the Wage item, there are very few agreed-upon external comparables which can be used in this case. The Union has argued that the City of Burlington and Des Moines County units (both of which have received from 3% to 4% wage increases for 2004-05) should be used as comparables herein. Significantly, Arbitrator Ver Ploeg refused to consider City and County units whose employees performed dissimilar work (Ver Ploeg Award, p. 4). This Fact-finder is unwilling to disturb the set of four comparables (Marshalltown, Ft. Madison, Ottumwa, and Keokuk) found "meaningful" by Arbitrator Ver Ploeg where, as here, the Union failed to offer any detailed documentary or other evidence to support its argument to broaden the comparability group.

Here, only one 2004-05 settlement (Marshalltown) is available for consideration herein. As stated above, Marshalltown employees received a 2.2% wage increase in

2004-05. In addition, the January, 2004 increase in Ottumwa was 2.5% for the Ottumwa 2004-05 contract term. Ottumwa employees make no premium contributions and have the same deductibles as the Waterworks. It is also significant that there is no information available regarding what the Waterworks intends to pay its non-union employees in 2004-05 (or what if any payment they might be required to make to their health care premiums). 12/

Employer Exhibit #2 shows that on average, Waterworks employees have received wage increases of around 2.64% over the past seven years (1998-2003), and that the CPI increase for December 2002-03 was 1.9%. Although it appears from Employer Exhibit #1 that Waterworks employees are paid between 5 and 13% higher than employees of the four comparable external employees, as demonstrated above, there was no record wage information for externals for 1998-2002, so a complete wage comparison among external comparables cannot be made. Furthermore, due to increases in the CPI over 1998-2003 of 12.7%, Waterworks employees' wage increases for the period were devalued thereby.

The Union seeks a 3.0% increase herein. This is not supported by either of the settled comparables. Rather, the average of the Ottumwa (2.5% and Marshalltown (2.2%) increases is 2.35%. In addition, this Fact-finder notes that the Ottumwa contract covers a different time period (January, 2004-05) than the other comparables and the Waterworks. Furthermore, it appears that awarding the Waterworks' 1.5% wage offer or the Union's 3.0% wage offer would not change unit employees' wage standing *vis-à-vis* the comparables. 13/

However, the CPI increase was 1.9% in 2002-03 and the Cost of Living for Urban Wage Earners as of October rose 2.1%. In the context of this case, the Waterworks' 1.5% wage offer is not supported by the comparables, the CPI, or COLA figures and it is not in line with the average increases received by these unit employees over the past seven years. In addition, there is no inability to pay argument in this case. Furthermore, the two settled comparables provided more than 1.5% in wages to their employees (an average of 2.35%). In these circumstances, and in light of the fact that there is no information to show what wage increase the non-union Waterworks employees will receive in 2004-05, this Fact-finder rejects the offers of both the Union and the Waterworks and recommends that the parties grant unit employees a 2.0% wage increase on all steps for 2004-05.

Insurance Item:

The Waterworks submitted ER Exhibit #5 which compared insurance benefits internally as well as across the external comparables, as follows:

<u>AGENCY</u>	<u>Family Medical Premium</u>		<u>Annual Deductible</u>		<u>Max. out Pocket</u>		<u>Rx Drug card</u>
	<u>Paid by Employer</u>	<u>Paid by Employee</u>	<u>Single</u>	<u>Family</u>	<u>Single</u>	<u>Family</u>	
Marshalltown	\$605.00	\$138.79	\$2,000	\$4,000 14/	\$2,500	\$5,000	3 Tier
Ottumwa	100%	none	100	200	225	450	2 Tier
Keokuk	100%	none	100	300	850	2,550	3 Tier
Ft. Madison	\$944.87	\$75.00	200	400	200	400 15/	N/A

BURLINGTON

Current 7-1-03	\$1,114.29	none	100	200	500	1,000	2 Tier
Proposed*	\$1,059.93	5% (\$53.00)	250	500	650	1,300	3 Tier**
Non-union	\$1,059.93	none	250	500	650	1,300	3 Tier**

* The plan implemented last year included several improvements in the benefits of the previous package.

A more comprehensive network of providers.

Co-insurance coverage increases from 80/20 to 90/10%

Increased coverage for prevention tests including annual physical, PAP, Mammogram and PSA.

Eliminated \$3,500 cap during first 12 months for pre-existing conditions.

Add \$15,000 infertility benefit which was previously excluded.

Increased maximum lifetime benefit to \$2,000,000 from \$1,000,000

** The three tier plan would provide co-pays of \$5 - Generic; \$10 - Brand formulary; \$15 - Brand non-formulary.

Burlington, Keokuk and Ottumwa include Dental coverage, Marshalltown and Ft. Madison do not.

The Waterworks also noted that insurance premiums have risen 83.6% since 1999. It offered ER Exhibit #1, which calculate the adjusted wages and averages for the external comparables (due to two externals where employees pay toward monthly premiums), as follows:

Adjustment for Family Monthly Medical Insurance Premiums

Marshalltown (-\$0.83)	na	14.27	15.16	14.65	14.57
Keokuk	10.80	13.61	16.05	13.92	14.40
Ft. Madison	12.43	13.24	13.76	13.76	13.57
Ottumwa (January 2004)	15.80	17.05	17.05	17.05	17.05
Adjusted Average	13.01	14.54	15.50	14.85	14.90
BURLINGTON	13.82	16.97	17.26	17.50	16.97
\$ above the average	0.81	2.43	1.76	2.65	2.07
% above the average	6.23	16.71	11.35	17.85	13.89

Fifteen (15) of the eighteen (18) employees covered by insurance in this bargaining unit have the family insurance. Only three (3) subscribe to the single coverage.

The Waterworks argued herein (without going into specifics) that during bargaining for the 2004-05 contract, the Union "stonewalled" regarding insurance, refusing to make any changes in insurance to help pay for dramatic increases in insurance premiums. The Union asserted herein that during bargaining for the 2004-05 contract, it offered to accept a 5% employee premium payment contingent upon acceptance of the Union's proffered wage increases across a multi-year agreement and that the Waterworks rejected this offer. The Waterworks contended in response that the Union's wage offer was so unrealistically high that the Union offer amounted to "stonewalling."

The Waterworks also argued that its Teamster employees could receive a wage freeze and continue to receive above average wages compared to the comparables, given that Waterworks employees are paid from 5% to 13% more than any of the comparables.

In contrast, the Union argued that the Waterworks has offered no *quid pro quo* for the significant insurance changes it seeks in this case. Although the Union admitted that unit employees are highly paid, it noted that City and County employees received from 3 to 4% wage increases in 2004-05. In addition, as Waterworks non-union employees pay nothing toward premiums and as in only two of four external comparables do employees pay toward the premium, the Union urged that neither the internal nor external comparables support the insurance changes sought by the Waterworks. The Union also noted that the parties do not know what the premiums will be for 2004-05, making the 2004-05 employee premium contribution an unknown amount. Furthermore, the Union questioned Waterworks statistics on Ft. Madison's and Marshalltown's deductibles.

The Waterworks argued that its proposal that unit employees pay 5% or \$53 per month toward premiums is actually the average of the premiums paid by employees in Marshalltown and Ft. Madison. 16/ The Waterworks argued that in addition to monthly premiums, the majority of unit employees would also have to pay an additional \$300 toward the deductible in 2004-05 but no more than that, as it is unrealistic to assume that all employees will reach the OOP maximums. 17/

Discussion:

Clearly, this Employer has suffered significant increases in insurance premiums since 1999, all of which it has been required to pay due to contractual language contained in the labor agreement for the past twenty years. The Waterworks has argued that the Union has refused to make any concessions on insurance; that the Union has stonewalled the Waterworks. It is clear from this record that in the most recent negotiations, the Union made a proposal for a multi-year contract that included employee premium payments and significant wage increases for employees. Thus, the record evidence was insufficient to prove that the Union stonewalled on insurance. Rather, what this record shows is that the parties could not agree on a contract that included both premium payments and wages at levels acceptable to both parties.

The Waterworks has also argued that the external comparables support a premium payment by its employees. This Fact-finder disagrees. Here, there are only four external comparables, only two of which require employee premium contributions. If this Fact-finder were to recommend the Waterworks' offer on insurance, this would significantly change the external comparable statistics, possibly tipping the balance in favor of employee premium payments for all external comparables and potentially affecting all of those bargains as well as the instant one. This Fact-finder (like Arbitrator Ver Ploeg) is loath to impose such significant changes on Waterworks employees, preferring that the parties negotiate voluntary changes that they can both live with.

In addition, it is significant that to date, the Waterworks has not required its four non-union employees to pay any portion of increasing insurance premiums. Thus, the only internal "comparable" available does not support the Waterworks offer. Finally, the fact that 2004-05 premiums are unknown makes the Waterworks' overall offer (that unit employees pay 5% of premiums and receive 1.5% on their wages) at least difficult to value.

In regard to the Waterworks' offer to change deductibles and the OOP maximum, two external comparables (Ottumwa and Keokuk) have the same deductibles as the Waterworks and in one comparable, Ft. Madison (notwithstanding deductibles at twice the rate of the Waterworks), employees can use drug charges to satisfy their deductibles, and they have a lower OOP than the Waterworks. In addition, Marshalltown deductibles are not \$2,000/\$4,000, but rather they appear to amount to \$120 Single and \$300 Family (U. Exh. #7) to be paid by employees into an employee maintenance fund to satisfy deductibles. In these circumstances, the external comparables do not support the increase in deductibles proposed by the Waterworks from \$100/\$200 to \$250/\$500 (Single/Family).

In regard to the Waterworks' proposed increase in OOP, two external comparables have greater OOP maximums than the Waterworks while two externals have

lower OOP maximums. Also, regarding the three-tier drug card proposed by the Waterworks, one external has no drug card and one has a two-tier card. The other two externals have a three-tier card. In all the circumstances of this case changes in these insurance provisions should be addressed and compromised by the parties in the give and take of negotiations, not imposed by a neutral, given the lack of compelling financial needs and the lack of strong comparables in support of change.

Based on the above analysis, this Fact-finder recommends the Union's offer (*status quo*) on insurance be adopted by the parties.

Dated and Signed this 14th day of February, 2004
at Oshkosh, Wisconsin


Sharon A. Gallagher, Fact-finder

Footnotes:

- 1/ The parties stipulated that Dental and Life insurance are not at issue between the parties in this case.
- 2/ The parties did not submit evidence to show at which steps the twenty unit employees were currently paid. However, as there are seven Plant Operators, their rates were used by the Union to demonstrate costs herein.
- 3/ Marshalltown had a 6.5% unemployment rate in 2003.
- 4/ The parties offered no evidence regarding what if any other impasse items were ruled upon by the Arbitrator in 1983.
- 5/ Ver Ploeg's decision as well as the Waterworks representative's comments at the instant hearing indicated that Ver Ploeg's description of the provisions of the Waterworks' offer was incorrect. The Waterworks offered insurance which in this case includes increased employee Family out-of-pocket (OOP) costs (from 1000 to 1300) and an increase in the Family deductible (from 200 to 300) by employees. It appears that the increased Family OOP was before Ver Ploeg. Ver Ploeg did not have an employee premium payment before her and she made no mention of an increased deductible in her Award.
- 6/ The "percent increase" figure of 19.9% used by the Waterworks appeared to be incorrect based on a full analysis of ER Exh. #2. This Fact-finder has used 18.5% and 5.8%, the correct figures, above. No CPI information was submitted for the external comparables.
- 7/ The 2004-05 top pay rates in the Marshalltown contract (U. Exh. #7) are listed as follows: Operator and Operator/Maintenance \$16.63; Meter Reader \$16.43; Operator Grade 1, 2, and 3 receive an additional \$0.18, \$0.37, and \$0.50, respectively. The Waterworks used the Marshalltown Utility Worker rate for its Distribution Maintenance comparison (\$16.15), and the Marshalltown Mechanic rate for its Plant Maintenance rate comparison (\$16.77). For the Plant Operator Rate comparison, the Waterworks used the Operator and Operator/Maintenance rate (\$16.28) plus \$0.37/hour premium pay for Grade 2 (\$16.65). The Waterworks did not explain these choices.
- 8/ Keokuk has five pay grades for Plant Operators, from Trainee (\$11.14), to Plant Operator (P.O.) Grade 1 (\$13.92), to P.O. Grade 2 (\$14.83), to P.O. Grade 3 (\$16.05), to P.O. Grade 4 (\$16.68 per hour). The Waterworks selected the \$16.05 rate herein without explaining its rationale. No cashier rate is listed in the Keokuk contract. (U. Exh. #6).
- 9/ Ottumwa's 2.5% wage increase was given on January, 2004 (for 1/04 through 1/05) and is included in the numbers shown above.
- 10/ Although it appears from Union Exhibit #8 that Ottumwa has no employees that perform work comparable to Union employees at the Waterworks, Arbitrator Ver Ploeg found and the parties agreed herein that Ottumwa should be a comparable.
- 11/ The Union claimed the 2004-05 Marshalltown wage increase ranged from 2.5% to 3.0% on all rates. This was not correct, according to this Fact-finder's calculations.
- 12/ To date, Waterworks non-union employees pay nothing toward health premiums. The Waterworks indicated herein that non-union employees will likely be required to pay a percentage of their health premiums if this Fact-finder rules in favor of the Waterworks on this item.
- 13/ The difference between the Waterworks' 1.5% wage offer and a 2% wage increase is between \$0.08 and \$0.09 per hour (or \$166.40 and \$187.20 annually).
- 14/ The Marshalltown 2003-04 and 2004-05 contracts state that employees pay \$10.00 per month (Single) and \$25.00 per month (Family) into a deductible fund to be used to pay up to a deductible per year of \$1000 Single and \$2000 Family. Thus, the evidence does not support the Waterworks' assertion on ER Exh. #5 that annual deductibles in Marshalltown are \$2000 Single and \$4000 Family. Rather, Marshalltown deductibles could be as low as \$120 or \$300 per year.
- 15/ Regarding the Ft. Madison statistics contained in ER Exh. #5, Union Representative Wilson stated herein that she negotiates this contract and that the \$75.00 per month premium payments are applicable to Family coverage only; that Ft. Madison employees have a 200/400 deductible but no prescription drug card and no extra charges for OOP and all prescription drug charges paid by employees count toward satisfaction of the deductible.

- 16/ As of July 1, 2003, Marshalltown employees paid \$138.79 per month toward premiums and (unsettled) Ft. Madison employees paid \$75.00 per month toward premiums (ER Exh. #6).
- 17/ The Waterworks explained that employees will pay the first \$250 of changes and 10% of all charges until they have paid \$1300 in OOP.

CERTIFICATE OF SERVICE

I certify that on the 14th day of February, 20 04, I served the foregoing Report of Fact Finder upon each of the parties to this matter by (_____ personally delivering) (✓ mailing) a copy to them at their respective addresses as shown below:

I further certify that on the 14th day of February, 20 04, I will submit this Report for filing by (_____ personally delivering) (✓ mailing) it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.

Sharon A. Gallagher

S. A. GALLAGHER Fact-Finder
(Print name)

RECEIVED

2004 FEB 17 PM 1:28

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